

VISN: 17

Facility Name: Waco/Marlin

Affected Facilities: Temple/Austin/New Waco CBOC/Palestine CBOC/Bryan CBOC

A. Summary and Conclusions

a. Executive Summary:

Due to the proximity of the two facilities, and the fact that Marlin has already been converted to an outpatient facility only, Waco and Marlin will be analyzed together for the purposes of this review.

The inpatient programs at the Waco VA facility can be accommodated at the Temple facility utilizing existing vacant space, through the conversion of existing programs, and through new construction. It is important to note that the proposed psychiatry beds will be in addition to the Medicine and Surgery beds that are recommended for the Austin area in the VISN 17 CARES plan. VA will seek enhanced use leasing alternatives for the Waco VA facility.

The VA facility in Marlin has been operating as an outpatient facility since the approved relocation of its Nursing Home Beds to Temple in November of 2002. An alternate more efficient location for the provision of these outpatient services will be sought, and the VA will divest itself of the current facility. The draft VHA plan calls for the establishment of a VA staffed CBOC to serve the outpatient needs of veterans currently receiving care at both the Marlin and Waco facilities.

b. Current environment:

The Waco facility is adjacent to a well-known golf course, Cottonwood Creek, on the northwest, and the Football stadium of the Waco Independent School District. A new regional shopping area is scheduled for development at the corner of I-35 and Loop 340 less than a mile from the VA site. The facility is approximately 1.3 miles from Interstate 35 and .6 miles from Loop 340. Waco Transit provides bus transportation to and into the site. The site has strong visibility from New Road and East Loop 340 and moderate visibility from Interstate 35. Most of the buildings are on the Historic register. The Waco facility has approximately 913,000 gross square feet (sf) of space in 70 buildings, of which 251,000 is vacant. The facility is located on approximately 123 acres. The parking capacity is 1,326 and current utilization is approximately 53%.

The Marlin facility is located in a residential neighborhood of a small rural town. The facility consists of eight buildings encompassing 220,000 sf of space located on 8 acres. Currently only 20,000 sf of space (9%) in the facility is being utilized. The City of Marlin does not have public transportation. Over the past eighteen months the City has

experienced significant and recurring problems with their water treatment facility, requiring the town (including the VA facility) to boil water before consumption.

The parking capacity is approximately 150 spaces of which 20% is currently utilized. The unused portions of the main hospital building have suffered some recent water damage, but the building remains structurally sound. CTVHCS recently expended \$75,000 to repair the water tower servicing the facility. The water tower repairs were necessary to ensure adequate water pressure remains available for the fire suppression systems.

c. Workload Summary:

Waco

Waco - Workload or Space Category	2001 Wkld (ADC for IP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)
Inpatient Medicine				
Inpatient Surgery				
Inpatient Psych	210	247	245	236
Inpatient Dom				
Inpatient NHCU	67	82	82	82
Inpatient PR RTP	5	5	5	5
Inpatient SCI				
Inpatient BRC	15	15	13	14
Outpatient Primary Care	34,545	34,545	33,896	26,506
Outpatient Specialty Care	14,386	14,386	28,369	23,895
Outpatient Mental Health	24,848	24,848	22,219	17,135
Ancillary & Diagnostics	60,015	60,015	38,841	33,809

Marlin

Marlin - Workload or Space Category	2001 Wkld (ADC for IP, Stops for OP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)
Inpatient Medicine				
Inpatient Surgery				
Inpatient Psych				
Inpatient Dom				
Inpatient NHCU				
Inpatient PR RTP				
Inpatient SCI				
Inpatient BRC				
Outpatient Primary Care	12,234	12,234	9,244	7,304
Outpatient Specialty Care	4,299	4,299	8,822	7,591
Outpatient Mental Health	353	353	1,095	841
Ancillary & Diagnostics	16,581	16,581	16,250	14,709

d. Proposed Realignment:

The inpatient services currently provided at the Waco facility would be realigned to Temple and Austin. The outpatient services currently provided in at Waco and Marlin would be realigned to a newly established CBOC in the Waco area. VA would seek to divest itself of both facilities through enhanced use leasing and other alternatives. Following is a more detailed discussion of the realignment of the specific programs currently at Waco and Marlin.

Nursing Home Care

Currently there are 140 operating nursing home care unit beds at Waco. Recently, 107 of these beds were converted from psychiatric beds. These 107 beds will be dispersed to community nursing homes. The remaining 33 beds will be relocated to a vacant nursing unit located at the Temple facility. This bed relocation, when combined with currently operating nursing home beds at the Temple facility will allow Central Texas to maintain its long-term care bed capacity at the mandated 1998 bed level. This process could begin immediately following approval of the realignment proposal, and would take approximately 18 months to complete.

Psychiatry

Currently there are 107 operating psychiatry beds at the Waco facility. CARES data indicates that the need for psychiatry beds in Central Texas is increasing, and that a portion of these beds need to be located in Austin, with the remainder relocated to the Temple campus. The addition of this capacity at the Temple campus would require renovation of existing space as well as some new construction. The addition of this capacity in Austin would require a lease, or new construction. This process could begin immediately following approval of the realignment proposal, but would likely take three years to complete due to construction requirements.

PRRTP

Currently there are 84 operating PRRTP beds at the Waco facility. The 84 PRRTP beds will be relocated to the Temple campus. This would likely be accomplished through renovation of existing Domiciliary space. This process could begin immediately following approval of the realignment proposal, but would likely take two - three years to complete due to construction requirements.

Blind Rehabilitation Unit

Currently there are 15 operating BRU beds in Waco. These beds will be relocated to Temple into either renovated or newly constructed space. Consideration would be given to expansion of this program for optimal efficiency, and to meet a CARES identified need for increased blind rehab services in the region.

Marlin and Waco Outpatient Workload

The Waco outpatient workload would be realigned to a newly established CBOC in the Waco area that would serve the needs of both Marlin and Waco area veterans. There would be no decrease in the level of outpatient services currently provided in Waco, and certain outpatient services would be enhanced.

The Marlin outpatient workload would be realigned to the new Waco CBOC, as well as to Temple, and the existing CBOCs in Palestine and Bryan. If the plan to realign inpatient services from Waco to Temple and Austin is not approved outpatient services would be realigned from the Marlin VA to an alternate location so that VA can divest itself of the current Marlin facility. Action may need to be taken to relocate the patients from this facility prior to establishment of the new Waco/Marlin CBOC. It is extremely inefficient to operate the current facility for outpatient services considering the small volume of patients that are currently being seen there. In addition, extreme difficulty has been experienced recruiting staff to this rural area.

B. Analysis.

a. Description of current programs and services environment:

Waco

Waco - Workload or Space Category	2001 Wkld (ADC for IP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine								
Inpatient Surgery								
Inpatient Psych	210	247	245	236	87.75%	2004	Temple	0
					12.25%	2004	Austin	0
Inpatient Dom								
Inpatient NHCU	67	82	82	82	100%	2004	Temple	51%
Inpatient PRRTF	5	5	5	5	100%	2004	Temple	0
Inpatient SCI								
Inpatient BRC	15	15	13	14	100%	2004	Temple	0
Outpatient Primary Care	34,545	34,545	33,896	26,506	100%	2004	Waco/Marlin CBOC	0
Outpatient Specialty Care	14,386	14,386	28,369	23,895	100%	2004	Waco/Marlin CBOC	0
Outpatient Mental Health	24,848	24,848	22,219	17,135	100%	2004	Waco/Marlin CBOC	0
Ancillary & Diagnostics	60,015	60,015	38,841	33,809	50%	2004	Waco/Marlin CBOC	0
					45%	2004	Temple	0
					5%	2004	Austin	0

Inpatient services currently provided at Waco would be realigned to Temple and Austin, and outpatient services would be realigned to a new VA staffed CBOC in Waco.

Marlin

Marlin - Workload or Space Category	2001 Wkld (ADC for IP, Stops for OP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Outpatient Primary Care	12,234	12,234	9,244	7,304	21.18%	2004	Palestine CBOC	0.00%
					27.85%	2004	Bryan/CS CBOC	0.00%
					20.93%	2004	Waco	0.00%
					30.04%	2004	Temple/Other	0.00%
Outpatient Specialty Care	4,299	4,299	8,822	7,591	21.18%	2004	Palestine CBOC	0.00%
					27.85%	2004	Bryan/CS CBOC	0.00%
					20.93%	2004	Waco	0.00%
					30.04%	2004	Temple/Other	0.00%
Outpatient Mental Health	353	353	1,095	841	21.18%	2004	Palestine CBOC	0.00%
					27.85%	2004	Bryan/CS CBOC	0.00%
					20.93%	2004	Waco	0.00%
					30.04%	2004	Temple/Other	0.00%
Ancillary & Diagnostics	16,581	16,581	16,250	14,709	21.18%	2004	Palestine CBOC	0.00%
					27.85%	2004	Bryan/CS CBOC	0.00%
					20.93%	2004	Waco	0.00%
					30.04%	2004	Temple/Other	0.00%

An analysis of current patients receiving outpatient care at the Marlin VA was performed to determine which of four sites in the surrounding area would provide them with the most convenient access to continued VA outpatient services. These sites are the Palestine and Bryan/College Station CBOC, as well as the Waco (VAMC or CBOC, depending on the outcome of CARES), and Temple VAMCs. A specific geographic breakdown has been compiled, and is included in the table above to assess the likely locations where patients would seek their primary care.

b. Travel times:

Alternate # 1 Name of Facility Being Studied: Waco											
CARES Category (Dom, Specialty Care or NHCU)	Counties (Accounting for 50% or more of the workload)	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied (Minutes)	Current weighted Travel Time (calculated)	Workload to be transferred to Temple	Travel Time from County to Temple	Workload to be transferred to Austin	Travel Time from County to Austin	Workload to be transferred to New Waco CBOC	Travel Time from County to New Waco CBOC	New weighted Travel Time (calculated)
Psychiatry	McLennan	18,838	20		18,838	45	0		N/A		
	Bell	5,158	45		5,158	30	0		N/A		
	Travis	4,577	110		0		4,577	30	N/A		
				39							43
Primary Care	McLennan	17,728	20		N/A		N/A		17,728	10	
	Bell	5,158	45		N/A		N/A		5,158	45	
				26							18
Specialty Care	McLennan	14,719	20		0		0		14,719	10	
	Bell	552	45		0		0		552	45	
				21							11
Mental Health	McLennan	8,114	20						8,114	10	
	Bell	1,247	45						1,247	45	
				23							14
CARES Category (Dom, Specialty Care or NHCU)	Counties (Accounting for 50% or more of the workload)	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied (Minutes)	Current weighted Travel Time (calculated)	Workload to be transferred to Temple	Travel Time from County to Temple	Workload to be transferred to Contract	Travel Time from County to Contract			New weighted Travel Time (calculated)
Nursing Home	McLennan	9,189	20				9,189	30			
	Bell	2,843	45		2,843	30					
	Travis	1,526	110				1,526	30			
		13,558		35							30
Type	Baseline Access % 2001	Current Market Plan Access % 2012	New Access % 2012								
	Primary Care	65	77	77							
	Acute Care	60	82	85							

This realignment calls for all outpatient services to remain in the Waco community. Given that these services account for the majority of unique patients at the Waco facility, this action will have a limited impact on access for veterans living in the Waco area. Access in the market as a whole will improve because of the introduction of inpatient services to the Austin area with its relatively larger population of veterans.

The impact on access for veterans currently using the Marlin VA for services will be minimal. Analysis shows that even if Primary Care services are realigned from Marlin, the majority of these patients have reasonable access to other VA sites that provide primary care.

c. Current physical condition of the realignment site and patient safety

The Waco facility operated 2100 beds in the 1960's. There are currently under 350 operating beds at the facility, including nursing home, psychiatry, PR RTP, and Blind Rehab beds.

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The Marlin facility has provided only outpatient services since November of 2002. Provision of these services requires the use of roughly 9% of the available space at the facility.

d. Impact considerations:

Capital:

New Data Run 10/29/03

Capital Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being reviewed 1: Marlin					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	-	\$ 0	\$ 0	\$ 0
Total	-	-	\$ 0	\$ 0	\$ 0
Facility Being Reviewed 2: Waco					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 13,582,546	0	0	\$ 10,704,167
Total	-	\$ 13,582,546	0	0	\$ 10,704,167
Receiving Facility 2: Central Texas CBOCs					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	-	\$ 0	\$ 0	\$ 0
Total	-	-	\$ 0	\$ 0	\$ 0
Receiving Facility 2: Temple					
New Construction	-	-	\$ 3,203,679	\$ 18,360,850	\$15,910,600
Renovation	-	\$ 5,654,822	\$ 3,303,858	\$ 3,303,858	\$ 3,303,858
Total	-	\$ 5,654,822	\$ 6,507,537	\$21,664,708	\$19,214,458

(Old Numbers are Below in Grey)

Capital Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Studied	Marlin				
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	-	\$ 0	\$ 0	\$ 0
TOTAL	-	-	\$ 0	\$ 0	\$ 0
Facility Being Studied	Waco				
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 13,582,546	0	0	\$ 13,279,692
TOTAL	-	\$ 13,582,546	0	0	\$ 13,279,692
Receiving Facility 1	Central Texas CBOCs				
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	-	\$ 0	\$ 0	\$ 0
TOTAL	-	-	\$ 0	\$ 0	\$ 0
Receiving Facility 2	Temple				
New Construction	-	-	\$ 3,203,679	\$ 18,360,850	\$ 15,910,600
Renovation	-	\$ 5,654,822	\$ 3,303,858	\$ 3,303,858	\$ 3,303,858
TOTAL	-	\$ 5,654,822	\$ 6,507,537	\$ 21,664,708	\$ 19,214,458

- There are no capital expenditures recorded for Marlin since VA plans to vacate the current facility under any circumstances.
- There are capital expenses for renovation under alternative 2 for Waco since VA would maintain an outpatient presence at the current facility under that alternative.
- There are no capital expenses recorded for the Central Texas CBOCs because they are leased facilities.
- There are capital costs recorded for Temple under the contracting option because it was assumed that the Blind Rehab services could not be contracted out and would need to be accommodated at the current facility.
- Construction costs for Temple are the same under both Alternative 1 and 2 since the Temple facility would absorb the same amount of workload in both scenarios.
- The cost of Austin construction is counted under Temple in the first alternative, but not the second, which causes the new construction cost to be higher for Temple in Alternative 1.

Operating costs:

New Data Run 10/29/03

Operating Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being reviewed 1: Marlin					
Operating Costs	\$ 96,619,699	\$ 82,228,561	\$0	\$0	\$0
Facility Being Reviewed 2: Waco					
Operating Costs	\$ 1,186,709,595	\$ 1,143,226,502	\$ 31,807,315	\$ 31,807,315	\$ 342,454,954
Receiving Facility 1: Central Texas CBOCs					
Operating Costs	-	\$ 120,019,758	\$ 265,260,058	\$ 346,509,052	\$ 48,610,556
Receiving Facility 2: Temple					
Operating Costs	\$ 3,304,740,521	\$ 3,071,999,654	\$ 4,444,529,536	\$ 3,760,104,318	\$ 3,763,558,268
TOTAL	\$3,402,546,929	\$4,417,474,475	\$4,741,596,909	\$4,106,645,177	\$4,154,623,778

(Old Numbers are in Grey Below)

Operating Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Studied 1					
Operating Costs	\$116,746,516	\$82,228,561	-\$20,843,622	-\$20,843,622	-\$20,843,622
Facility Being Studied 2					
Operating Costs	\$1,186,709,592	\$1,143,226,502	\$67,863,154	\$67,863,154	\$341,677,357
Receiving Facility 1					
Operating Costs	-	\$120,019,758	\$265,260,058	\$351,574,732	\$43,518,810
Receiving Facility 2					
Operating Costs	\$3,304,740,520	\$3,071,999,654	\$4,444,529,536	\$3,817,537,132	\$3,853,562,794
TOTAL	\$4,608,196,628	\$4,417,474,475	\$4,756,809,126	\$4,216,131,396	\$4,217,915,339

- Both Alternatives 1 and 2 appear to be more cost effective than the other Alternatives, with Alternative 2 having a slightly higher operating cost than Alternative 1.
- Marlin shows an operating cost savings because VA will divest itself of the Marlin facility in both Alternatives.
- The cost for Waco is higher under Alternative 2 because this is the option that calls for maintaining outpatient services on the current campus.
- The cost for Central Texas CBOCs is higher in Alternative 1 because the lease for the new CBOC is captured in this category rather than under Waco.

- The costs under Alternative 2 for Temple are slightly higher because the activation of inpatient beds in Austin is captured under Temple costs, and leasing is shown to be more costly than construction.

Other Considerations:

- **Human resources:** The FTEE currently working on the inpatient units at Waco would be offered positions in Temple. As a result of this action total FTEE would be reduced over time through attrition. The FTEE working in outpatient areas in Waco would be transitioned to the new Waco area CBOC. The remaining FTEE at Marlin would also be absorbed into the new Waco CBOC.
- **Patient care issues and specialized programs:** All specialized programs currently at the Waco facility would be relocated to Temple and either maintained at the current operating levels, or enhanced.
- **Impact on Research and Academic Affairs:** CTVHCS experiences extreme difficulty in recruiting professional staff to Marlin area and has experienced difficulty in recruiting psychiatrists to the Waco area. The distance between these two campuses and the medical school negatively impacts CTVHCS ability to recruit qualified staff.

Relocation of inpatient programs to the Temple campus will improve our ability to recruit professional staff and allow us to more closely integrate our mental health programs with our academic affiliates.

Relocation of beds to the Austin area will greatly enhance our relationships with the University of Texas at Austin (UT @ Austin) and the University of Texas Medical Branch in Galveston (UTMB). CTVHCS recently entered into an academic affiliation agreement with both institutions. The VA is entering into a sharing agreement with UT @ Austin to purchase and install a 4.5 Tesla fMRI as an introductory step for the development of a Brain Imaging Center on the UT @ Austin campus. The University has obtained several million dollars in grants for addiction research as a result of this Brain Imaging Center. VA researchers will participate in the utilization of this magnet for research purposes. CTVHCS is also working closely with UTMB and other community partners in the Austin area to develop a regional medical school in the Austin area. Austin is currently the largest city in the United States without a VA inpatient presence nor a medical school. This relocation of services to Austin will also improve our ability to recruit physician specialists to serve Central Texas veterans.

- **Reuse of the Realigned Campus:** A majority of the buildings are on the historic registry, which limits VA's flexibility with regard to future uses. However, all potential enhanced use opportunities will be fully explored.

- Summarize alternative analysis:

Preferred alternative description and rationale:	Alternative 1 is preferred for the reasons outlined below				
	Status Quo	Original Market Plan	100% Contract	Alternate # 1	Alternate # 2
Short Description:	Inpt and outpt svcs at Waco continue; no inpt psych svcs in Austin or Temple	Inpt and outpt svcs at Waco continue; no inpt psych svcs in Austin or Temple	All services at Waco provided through contract providers	Inpt svcs moved to Temple and Austin. Outpt services provided	Inpt svcs moved to Temple and Austin. Outpt services provided
Total Construction Costs					
Life Cycle Costs					
Impact on Access	Negative impact for psychiatry services for Austin Submkt	Negative impact for psychiatry services for Austin Submkt	Increased access for Austin Submkt	Increased access to inpt svcs for Temple and Austin Submkt veterans; increased access to specialty care for Marlin area veterans; increased drive time for current Marlin CBOC veterans; increased drive time to access inpt svcs for	Increased access to inpt svcs for Temple and Austin Submkt veterans; increased access to specialty care for Marlin area veterans; increased drive time for current Marlin CBOC veterans; increased drive time to access inpt
Impact on Quality	NHCU and Psychiatry patients are located 40 miles from inpatient med/surg/ICU	NHCU and Psychiatry patients are located 40 miles from inpatient med/surg services	Difficulty in assuring VHA standards and continuity of care by contract providers	NHCU and Psychiatry patients are colocated with med/surg/ICU services	NHCU and Psychiatry patients are colocated with med/surg/ICU services
Impact on Staffing & Community	No impact	Increase in staffing for psychiatric regional referral center	Negative impact on VA staffing with contracting; positive impact for community	Negative impact for those VA staff who must commute additional 30	Negative impact for those VA staff who must commute additional 30
Impact on Research and Education	No impact	Psychiatric regional referral center will have positive impact on research and education programs	Negative impact on VA research and education programs	Consolidation of services (med/surg with psych) will increase research and education opportunities such as Blind rehab with ophthal svcs at Temple. Austin Submkt realizes increased opportunities for research/education with UT	Consolidation of services (med/surg with psych) will increase research and education opportunities such as Blind rehab with ophthal svcs at Temple. Austin Submkt realizes increased opportunities for research/education with UT
Optimizing Use of Resources	Continued high overhead costs associated with maintaining a large campus with underutilized facilities	Improved utilization of resources by expanding mission as psychiatric regional referral center; however, high overhead costs will continue	Savings on maintenance of Waco facility are offset by higher cost of purchasing and coordinating for contracted services	Optimizes use of resources at Temple and Austin; reduction of high overhead costs on Waco campus	Continued high overhead costs associated with maintaining a large campus with underutilized facilities.
Support other Missions of VA	No impact	No impact	Reduction in ability to support other VA missions	No impact	No impact
Other significant considerations					